IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

ACADEMY OF MOTION PICTURES ARTS AND SCIENCES,	)	
Plaintiff,	)	
v.	)	Civil Action No. 1:07cv356
AMPAS.COM, Internet Domain Name,	)	
In Rem Defendant.	)	

REPORT AND RECOMMENDATION

This matter came before the Court for an ex parte proof of damages hearing on August 24, 2007, after the Motion of plaintiff Academy of Motion Pictures Arts and Sciences ("plaintiff" or "AMPAS") for Default Judgment and this Court's Order of July 30, 2007. When a representative for defendant <ampas.com>, an internet domain name ("defendant" or "the domain name"), failed to appear at the hearing, the undersigned Magistrate Judge took this matter under advisement.

I. INTRODUCTION

Plaintiff filed its Complaint in this Court on April 13, 2007 against defendant, pursuant to the Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) ("ACPA"). In the Complaint, plaintiff also alleges violations of the Lanham Act, 15 U.S.C. § 1051 et seq., specifically, its trademark infringement, dilution, and unfair competition provisions, 15

Dockets.Justia.com

U.S.C. §§ 1114(1), 1125(a) and (c).[1] As relief, plaintiff seeks a Court order directing the transfer of the domain name to plaintiff.

A. Jurisdiction

This Court has original subject matter jurisdiction over plaintiff's claims under 28 U.S.C. §§ 1331 and 1338, in that they arise under the Constitution, laws, or treaties of the United States, specifically, provisions of ACPA regarding trademark rights as they hereinafter more fully appear. This Court has in rem jurisdiction over defendant pursuant to ACPA, 15 U.S.C. § 1125(d)(2)(A), which provides, in pertinent part:

> The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if . . . the court finds that the owner . . . is not able to obtain in personam jurisdiction over a person who would have been a defendant . . . .[2]

---

[1] In 1999, the Lanham Act was amended by Public Law Number 106-113 to include the ACPA provisions. Nevertheless, for purposes of this Report and Recommendation, plaintiff's claims arising under 15 U.S.C. § 1125 are referred to as "ACPA claims" and Plaintiff's claims arising under other sections of the Lanham Act are referred to as "Lanham Act claims."

[2] A domain name registrar is a company that is accredited by the Internet Corporation for Assigned Names and Numbers (ICANN), which collects certain domain name information, and delivers it to a registry. A domain name registry is an organization that maintains a master list of domain names and their underlying codes. See ICAAN, Glossary, available at http://www.icann.org/general/glossary.htm#R (last visited August 27, 2007). Thus, Verisign, defendant's registry, has the power to transfer control of a domain name from one registrar to another. See Cable News Network L.P., L.L.L.P. v. CNNEWS.COM, 177 F. Supp. 2d 506, 514

In this case, in rem jurisdiction is proper because the domain name's registry, Verisign Global Registry Services, is located in this District. Moreover, neither this Court, nor any court in the United States, can obtain jurisdiction over the person who registered the domain name, Lin ZanSong, who resides in China and has no known contacts with the United States. (See Compl. ¶ 6; Plaintiff's Memorandum of Law in Support of its Motion for a Default Judgment ("Memo.") at 7; Declaration of Brian Kang in Support of Plaintiff's Motion for a Default Judgment ("Kang Decl.") at 6.)

B. Venue

Venue in this District is proper under 28 U.S.C. § 1391(b) and 15 U.S.C. § 1125(d)(2)(C) because both defendant, the res, and Verisign, defendant's registry, are located in this District. (See Compl. ¶ 6.)

C. Process and Service

ACPA provides that service may properly be effected by "sending a notice of the alleged violation and intent to proceed . . . to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar [and] publishing notice of the action as the court may direct promptly after filing the action." 15 U.S.C. §§ 1125 (d)(2)(A), (B). On

---

n.16 (E.D. Va. 2001), vacated in part on other grounds, 56 Fed. Appx. 599 (4th Cir. 2003).

August 10, 2005, plaintiff notified the registrant, at the addresses provided to it by the domain name's registrar, of this dispute and plaintiff's intent to pursue its ACPA claim. (Compl. ¶ 6; Memo. at 7; Kang Decl. ¶ 7 & Exh. E.) On June 22, 2007, plaintiff published notice of this lawsuit in The Washington Post pursuant to this Court's Order to Publish Notice of Action. (Memo. at 8.) Accordingly, service in this case was proper under ACPA.

D. Grounds for Default Judgment

A representative for defendant has not appeared, answered, or otherwise filed any responsive pleadings in this case. Therefore, on July 25, 2007 the Clerk of this Court entered default pursuant to plaintiff's request and Federal Rule of Civil Procedure 55. On July 30, 2007, the Honorable Leonie M. Brinkema scheduled this case for an ex parte proof of damages hearing for August 24, 2007. On August 15, 2007, plaintiff filed a Motion for Default Judgment to be heard on August 24, 2007. When a representative for defendant failed to appear at the hearing, the undersigned Magistrate Judge took this matter under advisement.

II. FINDINGS

When a defendant has defaulted, the Court may enter judgment against him so long as he is not an infant or incompetent person. Fed. R. Civ. P. 55. In such a case, the facts set forth in the plaintiff's complaint are deemed admitted. Ryan v. Homecomings Fin. Network, 253 F.3d 778, 780 (4th Cir. 2001), citing Thomson

v. Wooster, 114 U.S. 104, 113 (1885). Therefore, such a plaintiff may prevail so long as his complaint states a claim. See GlobalSantaFe Corp. v. Globalsantafe.com, 250 F. Supp. 2d 610, 612 n.3 (E.D. Va. 2003).

The remedy due to a prevailing plaintiff may be separately proven through hearing testimony or declarations supporting the plaintiff's Motion for Default Judgment. Fed. R. Civ. P. 55(b)(2). Accordingly, the undersigned has reviewed the record in this case, including plaintiff's Complaint, Motion for Default Judgment, and supporting Memorandum and Declarations, and makes the following findings.

A. Facts

Plaintiff is a non-profit California corporation that was founded in 1927 by a group of film industry leaders in order to advance "motion picture arts and sciences and promot[e] cultural, educational and technological progress by fostering cooperation among the motion picture industries creative leadership." (Compl. ¶¶ 2, 8; Memo. at 2.) Among other things, plaintiff hosts the annual Academy Awards ceremony wherein it confers awards of merit, commonly known as "Oscars," on members of the film industry. (Compl. ¶ 8; Memo. at 2.) This ceremony has been televised throughout the world in over 200 countries including China. (Compl. ¶ 8; Memo. at 2-3.)

Plaintiff owns and has registered several trademarks with the United States Patent and Trademark Office, including the

A.M.P.A.S., ACADEMY AWARD, and ACADEMY AWARDS marks. (Compl. ¶¶ 9-10; Memo. at 3-4.) Moreover, plaintiff has met the statutory requirements for establishing conclusive ownership over its A.M.P.A.S. mark, Registration Number 2166918, under the Lanham Act, 15 U.S.C. § 1065. (Compl. ¶ 12; Memo. at 5.) Those marks "have come to symbolize the most outstanding achievements in motion-picture making" and plaintiff "has gained valuable goodwill and a strong customer recognition in [the] trademarks throughout the world." (Compl. ¶ 9; Memo. at 3.) The marks, notably A.M.P.A.S., have thereby become "associated in the public's mind" with plaintiff. (Compl. ¶ 11; Memo. at 5.)

Plaintiff also owns the internet domain name <ampas.org>, which incorporates plaintiff's A.M.P.A.S. mark, and which displays a website that "advertises, promotes and uses the A.M.P.A.S. mark to identify" plaintiff and its activities. Combined with plaintiff's extensive advertising through other forms of media, plaintiff's website has led the A.M.P.A.S. mark to achieve widespread recognition and goodwill, and to become a valuable asset to plaintiff throughout the United States and the world. (Compl. ¶ 13; Memo. at 5.)

Defendant <ampas.com> is an internet domain name that was registered on March 24, 2002 by Lin ZanSong ("the registrant"), a person who resides at 1688 RM RD., Wenzhou, Zhejiang, China. (Compl. ¶¶ 3, 14; Kang Decl. ¶ 8.) The registrant thereafter operated a website through the domain name that provides "links to commercial advertisements, news, and other information related to [plaintiff] and the motion picture industry as well as other news, information and services in China and throughout the world." (Compl. ¶ 14; Memo. at 6.) Some of these links are entitled "'2007 academy awards,'" "'academy award winners,'" "'oscar statuette images,'" "'korean girls,'" and "'sex." (Compl. ¶ 15; Memo. at 6.) Thus, the domain name provides some information that directly competes with that of plaintiff's <ampas.org> website and plaintiff's other marketing activities, as well as some unrelated information. (Compl. ¶ 17; Memo. at 6-7.)

Plaintiff has not authorized the registrant to use its A.M.P.A.S. mark for the domain name, which wholly incorporates the mark, nor for any other purpose. (Compl. ¶ 19; Memo. at 6-7.) Because the domain name incorporates plaintiff's A.M.P.A.S. mark, it is "likely to cause customer confusion or mistake or deceive consumers into thinking that the website <www.ampas.com> and the services of the registrant are authorized by, or affiliated" with plaintiff. (Compl. ¶ 20; Memo. at 7.) Moreover, because of such similarity, the domain name is "likely to diminish and blur or tarnish the meaning of" plaintiff's A.M.P.A.S. mark, "thereby diluting the distinctive quality of the mark." (Compl. ¶ 21; Memo. at 7.) Finally, the foregoing activities have caused and will continue to cause plaintiff irreparable damage that cannot be remedied by a monetary award.

(Compl. ¶¶ 22, 27; Memo. at 7.)

B. Plaintiff’s Claims

1. Anticybersquatting Consumer Protection Act

Count I of plaintiff’s Complaint seeks relief under ACPA, 15 U.S.C. § 1125(d)(1), which provides a remedy for a trademark owner who is aggrieved by an infringing domain name. (Compl. at 9.) More specifically, ACPA proscribes the use of an infringing domain name where its creator has “a bad faith intent to profit from [the owner’s mark, or] registers, traffics in, or uses a domain name that . . . is identical or confusingly similar to” a mark that is distinctive or famous at the time of the domain name’s registration. 15 U.S.C. § 1125(d)(1). As set forth below, the undersigned finds that plaintiff has established both that the registrant possessed a bad faith intent to profit from plaintiff’s A.M.P.A.S. mark, and that he registered a domain name that is identical or confusingly similar to that mark, which was famous and distinctive at the time of registration.

ACPA lists several factors to be used to ascertain whether a person has registered an infringing domain name in bad faith. Among them are whether the registrant: has made a bona fide prior use of the mark at issue; intended to divert customers from the aggrieved plaintiff’s legitimate activities (either for commercial gain or to disparage the mark by creating a likelihood of confusion as to the source of the website); the extent to which the mark at issue is distinctive and famous; and the extent to which the domain name consists of the aggrieved plaintiff’s legal or commonly known name. 15 U.S.C. § 1125(d)(1)(B).

In this case, there is no evidence to suggest that the registrant has made a bona fide prior use of the domain name. (Memo. at 13; Kang Decl. ¶ 4.) Additionally, plaintiff has demonstrated that the registrant intended to divert customers to the website for commercial gain, as the website “links to commercial advertisements [and other] information and services in China and throughout the world.” (Memo. at 12.) Moreover, plaintiff has established that the A.M.P.A.S. mark was distinctive and famous at the time of the website’s registration in 2002, based on the mark’s long-standing, world-wide recognition and the registrant’s desire to “copy” it, which merely “underscores” its fame. See Int’l Bancorp, LLC v. Société des Bains de Mer, 329 F.3d 359, 371 (4th Cir. 2003). (See also Memo. at 11.) Finally, defendant’s “wholesale incorporation” of the mark shows that the domain name consists of plaintiff’s legal and commonly known name to a significant extent. See Virtual Works, Inc. v. Volkswagen of Am., Inc., 238 F.3d 264, 269 (4th Cir. 2001). (See also Memo. at 13.)

Therefore, based on a review of ACPA’s factors, the undersigned finds that sufficient evidence exists on the record to support a showing of bad faith. Moreover, the undersigned finds the foregoing facts establish that plaintiff’s A.M.P.A.S.

mark was famous and distinctive at the time of the domain name's registration, and that the domain name is identical or confusingly similar to that mark. (See Memo. at 10-12.) Accordingly, the undersigned finds that plaintiff should prevail on its ACPA claim.

2. Lanham Act

Plaintiff also raises the following other claims, pursuant to the Lanham Act, 15 U.S.C. § 1051 et seq.: Count II, Trademark Infringement, under 15 U.S.C. § 1114(1); Count III, Dilution, under 15 U.S.C. § 1125(c); and Count IV, Unfair Competition, under 15 U.S.C. § 1125(a). (Compl. at 9-11.) In its Memorandum, plaintiff acknowledges that, because "transfer of the domain name is warranted under [its ACPA] claim, the Court need not consider [its] additional claims of federal trademark infringement, unfair competition, and trademark dilution." (Memo. at 14.) The undersigned agrees, and further notes that entertaining Counts II, III, and IV of plaintiff's Complaint would require this Court to have personal jurisdiction over the registrant. See Harrods, Ltd. v. Sixty Internet Domain Names, 110 F. Supp. 2d 420, 423, (E.D. Va. 2000), citing Shaffer v. Heitner, 433 U.S. 186, 199 (1977) (15 U.S.C. §§ 1114, 1125(a), and 1125(c) contemplate personal liability and require personal jurisdiction, while in rem cases impose no personal liability and thus do not require personal jurisdiction), rev'd in part on other grounds, 302 F.3d 214 (4th Cir. 2002). Indeed, plaintiff notes that its Lanham Act claims are only actionable, in substance, by way of ACPA. (See Memo. at 14, citing 15 U.S.C. §§ 1125(d)(2)(A)(i), (d)(2)(D)(i)). Therefore, the undersigned finds that Counts II, III, and IV of plaintiff's Complaint should be dismissed.

C. Remedy

Plaintiff requests, pursuant to ACPA, 15 U.S.C. § 1125(d)(1)(C), that the domain name be transferred to plaintiff. (Compl. at 12; Memo. at 19.) ACPA provides, in pertinent part, "[i]n any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the . . . transfer [thereof] to the owner of the mark." 15 U.S.C. § 1125(d)(1)(C).

To determine whether such injunctive relief is appropriate to a prevailing plaintiff in a given case, the Court must balance the following four factors: 1) the likelihood of success on the merits of the plaintiff's claim (for a preliminary injunction), or the existence of actual success on the merits (for a permanent injunction); 2) the likelihood of irreparable injury to the plaintiff in the absence of an injunction; 3) the likelihood of harm to other interested persons if an injunction is issued; and 4) the public interest in granting versus not granting the injunction. See Blackwelder Furniture Co. v. Seilig Mfg. Co., Inc., 550 F.2d 189, 193, 196 (4th Cir. 1977); Amoco Production Co. v. Village of Gambell, 480 U.S. 531, 546 n.12 (1987).

Where, as here, a defendant has defaulted and a plaintiff is entitled to a default judgment, that plaintiff has shown actual success on the merits. Additionally, plaintiff in this case has established that defendant’s continuing conduct is causing it irreparable injury that cannot be fully remedied by a damage award. (Compl. ¶ 23; Memo. at 12-13.) In fact, plaintiff has already prevailed in a dispute settlement proceeding regarding these facts in the World Intellectual Property Organization, however, the registrant is refusing to adhere to that ruling. (Memo. at 7-8.) This fact underscores plaintiff’s continuing injury claim. Moreover, based on the facts established, the balancing of harm to the parties and to the public interest weighs in favor of granting the injunctive relief to protect plaintiff’s trademark rights in this case. Therefore, the undersigned finds that plaintiff is entitled to the relief it seeks, namely, transfer of the domain name, for defendant’s violations of ACPA.

III. RECOMMENDATION

The undersigned Magistrate Judge recommends that the Court enter default judgment in favor of plaintiff and against defendant under Federal Rule of Civil Procedure 55(b)(2) as to Count I, and that the Court dismiss Counts II, III, and IV. The undersigned further recommends that the Court order Verisign Global Registry Services, 21345 Ridgetop Circle, Dulles, VA, 20166, to change the registrar of record for the defendant domain name <ampas.com> from the current registrar, OnlineNIC.com, Inc., to a registrar selected by plaintiff, which subsequently will register the domain name in the name of plaintiff.

IV. NOTICE

The parties are advised that exceptions to this Report and Recommendation, taken pursuant to 28 U.S.C. § 636 and Federal Rule of Civil Procedure 72(b), must be filed within 10 days after its service. A failure to timely object to this Report and Recommendation waives any right to appellate review of a judgment based on it.

The Clerk is directed to send a copy of this Report and Recommendation to all counsel of record and to defendant's registrant at the following addresses:

Lin ZanSong
1688 RM RD.
Wenzhou, Zhejiang, China 325000

/s/
THERESA CARROLL BUCHANAN
UNITED STATES MAGISTRATE JUDGE

August 28, 2007
Alexandria, Virginia